



## Programs and Opportunities

### U.S.-India Agricultural Cooperation: A New Beginning

By Julia Debes

Christopher Columbus sought a new route with better access to the Indian market, but instead, he discovered America. Today, the United States has a similar goal to that of Columbus, increased market access to India.

India currently has nearly a five-to-one positive agricultural trade balance with the United States. In calendar year 2005, the United States exported \$294.43 million in agricultural products to India and imported \$922.87 million in agricultural products from India, the highest level since 1970.

In his remarks to the third board meeting of the AKI (Agricultural Knowledge Initiative) on May 30, 2006, Agriculture Secretary Mike Johanns said, "The United States views India as a rising global power and partner, one whose interests converge in important respects with those of the United States."

The agricultural industry plays an important role in increasing market access for both India and the U.S., particularly through two initiatives – the FGA (Focus Group on Agriculture) of the TPF (Trade Policy Forum) and the AKI.

#### The Trade Policy Forum

Created in July 2005, the U.S.-India TPF has the primary goal of doubling bilateral trade in three years.

The committee is chaired by India's Minister of Commerce and Industry and the U.S. Trade Representative. It has five subgroups: tariffs and nontariff barriers, services, investment, innovation and creativity, and agriculture.

The group has made progress on trade in U.S. almonds, U.S. pulses, Indian mangoes, and Indian organic products. It has also developed a health protocol for U.S. bovine semen and a USDA certification process for organic foods from Indian facilities.

For example, the United States and India have made progress on India mangoes, as experts from the two countries have had discussions that led to technical milestones, and a team of U.S. experts has traveled to India to visit two weevil-free mango-producing states. As a result, USDA and the U.S. Trade Representative announced in March 2006 that Indian mangoes would be permitted to be sold in U.S. markets within 18 months.

#### The Agricultural Knowledge Initiative

In addition to the FGA, the United States and India also actively participate in the AKI. The United States has pledged \$24 million to the initiative over the next three years.

***As India plays an increasingly important leadership role in Asia in the 21st century, the partnership will benefit the strategic and agricultural interests of both countries.***

"The AKI is part of the U.S. comprehensive strategy on revitalizing the bilateral relationship in agriculture with India," said Susan Owens, director of the FAS Research and Scientific Exchanges Division. "The AKI aims to promote science and technology to create a sound regulatory environment that promotes investment and trade."

A board consisting of U.S. and Indian members from government, universities, and the private sector provides recommendations to the respective governments. The U.S. private-sector members are Monsanto, Wal-Mart, and Archer Daniels Midland Company. Additionally, Nobel laureate Dr. Norman Borlaug and Dr. M.S. Swaminathan are honorary advisors for the AKI.

USDA, the U.S. Trade Development Agency, the U.S. Agency for International Development, and the U.S. Department of State represent the U.S. government in India and work within the AKI to conduct activities in four focus areas: university capacity building, food processing and marketing, biotechnology, and water resource management. All of these areas have projects that are jointly conducted by both countries.

"The United States and India are working together closely on AKI projects," Owens said. "At every stage of implementation, there is an effort to be as transparent as possible."

The AKI also has a goal of improving the market-research linkage. "We want to broaden the scope of the AKI beyond just research," Owens said. "We want to use the AKI to increase agricultural production in India and improve the links between research centers and farmers to benefit India's rural poor."

One of the major projects in the coming year is a competitive grants program with the National Association of State Universities and Land-Grant Colleges, which will support agricultural research and training.

Additionally, in September 2006, the AKI facilitated two workshops in biotechnology and water management.

Seventeen fellows in the Norman Borlaug Fellows Program for India will also arrive in the United States later in 2006 for short-term scientific training and research, studying subjects from plant science to biofuels.

### The Challenges and the Potential

Despite progress, however, both the FGA and AKI face several challenges.

Although all trade issues are equally important, the FGA is addressing two areas of U.S. concern – India's specifications on wheat imports and India's new biotechnology regulations.

USDA forecasts that India would import a total of 4.0 million metric tons of wheat in July 2006-June 2007. However, new Indian specifications for wheat imports have prevented the U.S. from exporting wheat into the country. To ensure compliance with India's zero tolerance policy for exotic weed seeds in all wheat, potentially thousands of samples would have to be analyzed by experts at the port of exit. Normally, a 25,000-ton shipload of wheat takes about one day to grade, without looking for weed seeds; if U.S. inspectors followed Indian specifications, it would take many weeks just to inspect one shipload.

Additionally, the government of India has announced two new regulations on agricultural biotechnology products – mandatory labeling for biotechnology food products, and documentation requirements for foods produced through biotechnology or foods that contain ingredients or additives from such foods. The United States considers these regulations as inconsistent with India's actions to further develop utilization of this technology to improve

its agricultural productivity and has asked India to notify the WTO (World Trade Organization) sanitary and phytosanitary measures committee of the new regulations in accordance with WTO policy.

Neither the products covered nor the import requirements necessary to implement these regulations are clear. The new regulations could affect imports of all commodities – bulk, intermediate, and consumer-oriented – but there have been no reports of stopped imports.

The United States and India have made progress improving market access. India has expressed interest in opening new markets in the United States for its grapes, pomegranates, and custard apples.

When Columbus landed in the Western Hemisphere, he realized sailing across the ocean was only the first leg of a long journey. The United States and India also have a long road ahead, but, just like Columbus, at least the ship of cooperation has reached its initial destination.

At the third AKI board meeting in May, Agriculture Secretary Mike Johanns said, "As India plays an increasingly important leadership role in Asia in the 21st century, our partnership will benefit the strategic and agricultural interests of both our countries." ■

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